

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION V

JUL 18 2018

ENFORCEMENT CONFIDENTIAL

MEMORANDUM

SUBJECT: Request for Concurrence for a Reduction in Financial Assurance for the Lake Calumet Cluster Superfund Site, Chicago, Cook County, Illinois

FROM: Jeffrey Cahn *WJC*  
Site Attorney

Shari Kolak *SK*  
Remedial Project Manager

THRU: Larry Kyte, Branch Chief *LK*  
Office of Regional Counsel

Joan Tanaka, Chief *JT*  
Superfund Remedial Response Branch #1

TO: Douglas Ballotti, Acting Director  
Superfund Division

US EPA RECORDS CENTER REGION 5

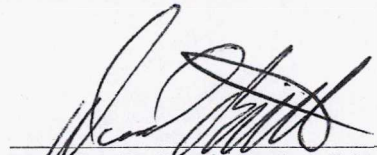


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This memorandum requests your concurrence on a reduction in financial assurance for the Lake Calumet Cluster Superfund Site located in Chicago, Cook County, Illinois. Currently, Section XXVI of the June 3, 2013 Administrative Settlement Agreement and Order on Consent (AOC) requires the Respondents to maintain financial assurance in the amount of \$1 million. Since the Respondents have completed a significant percentage of the remedial investigation and feasibility study (RI/FS) field work under the AOC, they requested in a letter dated June 15, 2018, a reduction in the required amount of financial assurance to \$500,000. The Respondents letter included a table with a breakdown of the estimated remaining costs to complete the RI/FS. EPA's estimate of the total remaining cost for the RI/FS is \$674,113, which includes a 20 percent contingency for inflation and unforeseen costs, and this estimate is documented in an July 11, 2018 memorandum from the remedial project manager to the ORC attorney. On July 12, 2018, EPA provided its cost analysis to the Respondents' attorney. On July 12, 2018, the Respondents' attorney sent an email that concurred with EPA's cost analysis. A copy of the concurrence e-mail is attached. Respondents' attorney noted that once additional site characterization work is completed, the Respondents may request a further reduction in the amount of financial assurance. Accordingly, this reduction may be an interim reduction.

Based on the above information, this memorandum recommends that the required amount of financial assurance be reduced from \$1 million to \$674,113. Please indicate your approval or disapproval of this recommendation below.

APPROVE:

  
\_\_\_\_\_  
Douglas Ballotti, Acting Director  
Superfund Division

Date:

7/18/18

DISAPPROVE:

\_\_\_\_\_  
Douglas Ballotti, Acting Director  
Superfund Division

Date:

\_\_\_\_\_

# BRAUSCH ENVIRONMENTAL, LLC

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Via Electronic Mail

June 15, 2018

Ms. Shari Lynn Kolak  
Remedial Project Manager  
Superfund Division  
U.S. Environmental Protection Agency, Region V  
77 West Jackson Boulevard, SRF-5J  
Chicago, IL 60604-3590

**Re: Request for Reduction in Financial Assurance  
Operable Unit 2, Lake Calumet Cluster Site, Chicago, Illinois**

Dear Ms. Kolak:

Pursuant to Section XXVI, paragraph 104 of the Administrative Settlement Agreement and Order on Consent for Remedial Investigation/Feasibility Study for Operable Unit 2 of the Lake Calumet Cluster Site (the OU2 RI/FS AOC), I am writing to request a reduction in the amount of the financial assurance requirement from \$1,000,000 to \$500,000. Based on our review of the work performed to date and the remaining work to be performed under the OU2 RI/FS AOC, we reasonably expect that the remaining work will not cost more than \$500,000.

In support of this request, enclosed with this letter is a table showing by category the actual cost of the work completed to date and an estimated cost of the remaining work to complete the Operable Unit 2 Remedial Investigation/Feasibility Study (OU2 RI/FS). To date, the Respondents to the OU2 RI/FS AOC have incurred and paid costs in the amount of \$590,124 to conduct the RI work. Based on the approved RI Work Plan and the Statement of Work tasks to be completed, we estimate that the remaining work to complete the OU2 RI/FS will cost \$244,154. We recognize, however, that there are open issues still to be resolved with the U.S. Environmental Protection Agency (USEPA) concerning the completion of the RI work. Therefore, we have conservatively included a contingency amount of \$150,000 for future site investigation and characterization and an additional \$25,000 for site characterization data analysis and the presentation of any such additional work in a written deliverable to the Agency. While the Respondents believe that the RI work performed to date should be sufficient to adequately characterize site groundwater conditions, for purposes of this request, we have included a more than adequate budget contingency for additional site characterization work that may be performed to complete the RI. The enclosed costs projection spreadsheet



Ms. Shari Lynn Kolak  
June 15, 2018  
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also includes an additional \$55,000 contingency for the estimated costs of completing the Ecological Risk Assessment, RI Report, monthly progress reports and project management. With the estimated contingencies included, the total projected remaining cost to complete the OU2 RI/FS is \$474,154. Because it is easier to deal with round numbers for purposes of the reduced financial assurance amount, we have rounded this projected remaining cost to \$500,000, which adds an additional approximately \$25,000 contingency to the projected remaining cost of the OU2 RI/FS.

The OU2 RI/FS AOC Respondents request that USEPA approve in writing this request for a reduced financial assurance amount of \$500,000 pursuant to paragraph 104 of the OU2 RI/FS AOC. We look forward to receiving USEPA's written concurrence with the reduction of financial assurance at your earliest convenience, but if you have any questions or require additional information, please do not hesitate to contact me.

Respectfully submitted,



Leo M. Brausch  
Project Coordinator

LMB:

cc (w/enclosure):

Susan M. Franzetti, Esq.

Jeffrey Cahn, Esq., Regional Counsel, USEPA Region 5